

Minutes of the Redevelopment Agency meeting held on Tuesday, October 20, 2009, at 4:00 p.m. at the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Present:	Jim Brass, Chairman	Mayor Dan Snarr
	Pat Griffiths	Tim Tingey, Executive Director
	Krista Dunn	Michael Wagstaff, Executive Director
	Robbie Robertson	Jan Wells, Chief of Staff
		Frank Nakamura, City Attorney
		Chad Wilkinson, Community Development Planner

Excused: Jeff Dredge

Chairman Jim Brass opened the meeting.

#### APPROVAL OF MINUTES

Krista Dunn made a motion to approve the minutes of September 22, 2009 as submitted. Seconded by Robbie Robertson.

A voice vote was made. The minutes were approved unanimously, 4-0.

#### HAMLET DEVELOPMENT PROJECT UPDATE

Michael Brodsky was present to provide an update on the Hamlet Development project at Birkhill, and apologized for missing the last meeting. He stated that out of the first 41 residential units, 31 have been sold or are rented. He said that over the past few months he has successfully completed his negotiations with Wells Fargo and signed a term sheet with them. Mr. Brodsky stated that within the next few weeks he will have secured loan extensions that allow an extra 18 months. He said that he is getting closer to being able to start the first townhouse building, which will be a big step towards increased sales activity. Mr. Brodsky stated that the current phase in the Waverly development is almost sold out and a new section has been developed. He said that although sales activity continues to be sluggish, he is ahead of his sales activity from 2008 which is a good sign. Mr. Robertson stated that he is impressed with how quickly the roads were built in the newly developed area at Waverly. Mr. Brodsky stated that there is another developer that owns a corner of property in the area with 40 lots. He said that the other builder broke ground for his model home at the same time that Hamlet broke ground for their land development, and he anticipates having his first building finished before the other builder finishes the model home. Mrs. Griffiths encouraged Mr. Brodsky to keep up the good work.

CONTINUED DISCUSSION ON QUALITY OIL SITE – 5020 SOUTH STATE STREET – ENVIRONMENTAL ISSUES

Tim Tingey provided an update on the activity that has taken place since the last discussion with the Redevelopment Agency. He said that there was a meeting with The Department of Environmental Quality (DEQ) representatives on September 17<sup>th</sup>, which Tim and Frank Nakamura attended along with Chris Nolan from IHI. Mr. Tingey stated that the history of the site was discussed along with what needs to be done in relation to environmental cleanup of the site for the future. He said that since the meeting, Murray City has complied with the requirements of having sampling done, and through the Professional Services budget line item the RDA has partnered with IHI Environmental, who has already done some field work and will assist with some reporting.

Frank Nakamura stated that the new Director of DEQ was present at the meeting on September 17<sup>th</sup>, along with the Deputy Director and other staff. He said that he appreciates the time they spent in meeting with the City and thanked Ms. Mason for her involvement.

Hilary Mason of DEQ provided a brief history of this site. She said that the release of petroleum was reported to the DEQ, which was previously called the Department of Health, in 1986. In 1989/1990, the DEQ was created and there was some confusion about who would be regulating the release and which parties would be involved. Ms. Mason stated that initially Murray City took the lead in doing a lot of work on this site during the 1990's. She said that the DEQ didn't closely monitor the site for a period of time, which happens when other sites take higher priority due to more imminent threat to human health or the environment. She stated that Mr. Nakamura called the DEQ and requested a letter when the liquor store was being constructed. Ms. Mason stated that the DEQ typically doesn't send such letters because they are often perceived as a no further action letter. In this case, the DEQ did send a letter in 2002 stating that the middle of the site was clean and at acceptable standards, although there was still contamination around the perimeter of the site that was concerning. Ms. Mason said that over time this letter was perceived as a no further action letter, which was not the intent. She stated that eventually the site was deemed a high priority again by the DEQ and additional monitoring and sub-surface investigation of the site was requested.

Ms. Mason stated that she understands the goal for this site is to obtain a no further action letter. She said that she thinks this will happen eventually, especially if there is some active remediation that takes place. She stated that DEQ doesn't mind having an open site as long as Murray City stays in compliance and does regular monitoring and perhaps some inactive cleanup. Ms. Mason stated that there are initial screening levels of soil and ground water that all sites are required to meet in order to obtain a no action letter.

Chris Nolan from IHI stated that his company has conducted three rounds of ground water sampling starting in August. He said that there are existing wells on the site that have been there for a number of years. Mr. Nolan stated that he has taken samples from

well JMM2, which is just south of the liquor store. Well JMM1 is to the south, near the creek, JMM7B is located in the parking lot, and JMM3 is west of the liquor store. He said that IHI has obtained history from other consultants that have sampled these wells as far back as 1995. JMM3 has been clean the past three times it has been sampled, however between JMM3 and the creek there is still contamination in a number of other wells, such as MW10, MW6 and MW9. Mr. Nolan stated that these wells haven't been sampled for a number of years, and at one time MW6 had petroleum floating on top of the water table. He said that JMM7B has looked very good each time it's been sampled, and that well JMMSS near State Street showed a small amount of benzene but still met ground water quality standards. He stated that JMM1 and JMM2 are still very high and do not meet the ground water quality standards. Mr. Nolan stated that there isn't a large area of contamination. He said that the ground water quality standards are the strictest, and once all of the levels are met the City can apply to the State to close the site. He stated that this type of site would normally clean up itself after a period of time due to its proximity to the creek and sufficient oxygen, nutrients, and normal bug activity. Mr. Nolan stated that the reason some of these contaminated soil areas weren't initially dug out is due to an existing sewer line, and there is now an underground power line that has been installed as well. He said it would be very expensive to remove the small amount of contaminated soil that remains on the site, and as ground water levels fluctuate the soil continues to contaminate the water. Mr. Nolan stated that the area south of the liquor store, between the parking lot and the creek, needs continued monitoring and he'd also like to sample well JMM8 because it used to be significantly contaminated. He said that if this well has improved it will only be a matter of time before the rest of the site is cleaned up. Mr. Nolan stated that there are different cleanup methods such as installing vapor extraction wells that remove water, but this site would not respond well to that method due to the sewer line.

Jim Brass asked what had caused the increase of contaminants in well JMM2 as it had previously been declining. Mr. Nolan responded that he's never seen anything that high, and he figures that a drop of oil that was possibly coating the side of the well got into the sample. He expects the next sample to show that this reading was an anomaly.

Frank Nakamura stated that over time the contamination should resolve itself but it is taking longer than expected. He said it sounds like DEQ will be satisfied by continued monitoring and that there is not a need to expend additional funds for cleanup. Chris Nolan stated that the process is called natural attenuation, which is monitoring the presence of proper nutrients and oxygen in the soil and ensuring that the contamination is breaking down. Hilary Mason stated that DEQ considers regular monitoring of a site as taking action and being in compliance. Krista Dunn asked how often the site needs to be monitored. Ms. Mason responded that she'd like to see quarterly and semi-annual monitoring until a trend is established again. She stated that she specifically likes to see samples taken in the spring and fall when ground water levels fluctuate. She said that she will discuss a schedule with Mr. Nolan after she has reviewed the current report.

Mr. Nakamura stated that he has advised DEQ that the City doesn't intend to sell this property in the near future. Mayor Snarr stated that the property isn't large enough to build on. Tim Tingey stated that within the scope of services through IHI Environmental, the monitoring reports will be submitted to DEQ.

PRESENTATION AND REVIEW OF RDA TAX INCREMENT REVENUE PROJECTIONS AND APPROVAL OF NOVEMBER 1<sup>ST</sup> TAX INCREMENT FUNDING REQUEST

Tim Tingey stated that this issue was discussed briefly last month and that budget projections will be forthcoming. He provided the amounts of tax increment financing that is anticipated for the upcoming year. He said that the numbers are based on County estimates and levy rates. Mr. Tingey stated that the Central Business District has dropped 18% this year for a total request of \$755,733. He said that the Cherry Street area request is \$78,646, the Vine Street area request is \$49,096 and the Smelter Site request amount is \$947,430. Mr. Tingey stated that last year the requested amount for the Smelter Site area was just over \$1 million. He said that staff is recommending approval of the Resolution, and approval to forward the November 1<sup>st</sup> report to the taxing entities.

Pat Griffiths made a motion to adopt the Resolution of the RDA approving and authorizing the November 1<sup>st</sup> report, and request for tax increment funds for the four sites that have been discussed.

Seconded by Robbie Robertson.

A voice vote was made. The motion passed, 4-0.

DOWNTOWN MASTER PLAN UPDATE

Tim Tingey stated that there is progress being made with the downtown and he provided a schedule and timeline for the redevelopment process. He said that property acquisition is still ongoing and negotiations are taking place. Mr. Tingey stated that he recently had a conversation with Gerding Edlen, who has been trying to facilitate a development on the Duane Chase property located on the southeast corner of State and Vine Streets. He said that Gerding Edlen has compiled numbers for development possibilities and provided the information to an investment organization. He stated that the overwhelming issues at this time are the economy and the need for an investment from a public entity in the area that will induce redevelopment. Mr. Tingey stated that the organizations interested in the site have expressed that they are not going to be the first to develop in the area. He said they have indicated that they want to see some other development happening, such as a parking structure or public facilities, and that they want to see a financial and timeline commitment before they invest.

Mr. Tingey stated that the code review was received from Gerding Edlen and GBD Architects, including design standards and a proposed ordinance for this area. He said that a staff committee has been established that is thoroughly evaluating the information

and will follow up with GBD for additional changes. He stated that in the next few months the information will be presented to the RDA for discussion. Mr. Tingey stated that the DHOD is being removed, but some components of the DHOD will be included in a new city center zoning designation in the downtown. He said that the focus of the area will be a vibrant mixed use, high density community.

Mr. Tingey discussed the Central Business District Redevelopment Area Extension and stated that a plan is close to being finalized. He stated that staff has been working closely with Louis, Young, Robertson and Burningham, and that a meeting was held with the school district last week. He said that negotiations will be starting with the TEC and he anticipates presenting information to the RDA for a decision in January.

Mr. Tingey stated that once the ordinances and design standards are established there will be a public input meeting, which is tentatively scheduled for December 8. Gerding Edlen and GBD Architects will have representatives at that meeting in order to answer questions from property owners and stakeholders. He said that public financing alternatives is an ongoing issue.

#### OTHER BUSINESS

Tim Tingey stated that the attorney's office is making some changes to the City Code, and one of those addresses the Redevelopment Agency. Frank Nakamura stated that his office has been reviewing and updating the Code. He said that the RDA statute has changed significantly over the years but the ordinance hasn't been updated for quite some time. He stated that the citations in the Utah Code have changed, along with some terminology. Mr. Nakamura said that other options have been added, including the economic development area and community development area. He stated that the update of the ordinance will be consistent with existing state law.

#### FUTURE AGENDA ITEMS

Tim Tingey stated that some budget projections will be presented at a future meeting. He provided an update on Fireclay Villages, and stated that after numerous meetings the developer has agreed to adhere to all of the standards outlined in the design guidelines and the ordinance. He stated that there is one minor change to a road configuration, which is the road to the north that is adjacent to Cottonwood Creek. Mr. Tingey stated that staff agrees with this change as long as the buffering and trail systems remain in this area. He said that the developer will have to come forward with an amendment to the Transportation Master Plan and go through the RDA, Planning Commission and City Council. Additionally, Mr. Tingey stated that the developer is considering a significant reduction in their parking requirements, so a modification to the ordinance may need to be included. He said that if a parking structure was built they would be very close to meeting all of the standards. He stated that this issue may be pursued as either an ordinance change to allow some parking reductions or the issue will have to go before the Board of Adjustment. Mr. Tingey stated that the biggest issue will be addressing the development agreement that is in place, specifically Phase 3 of the plan. He said that

although the developer has good intentions to complete Phase 3, there isn't a guarantee that it will happen. He stated that the development agreement needs to specify how this issue will be dealt with. Mr. Tingey suggested that if Phase 3 hasn't been completed within a certain timeframe, the developer will have to reimburse tax increment. Frank Nakamura stated that if there is a development agreement in place, the Board of Adjustment option may not be available. Jim Brass stated that he would like to consider a deferred payment on tax increment instead of trying to get the money back. He said that there are factors such as bankruptcy that might prevent the RDA from getting the money back. Mr. Tingey stated that he thinks the developer will want to request tax increment on the initial phases and the bridge once they are complete. Mr. Brass stated that he doesn't mind paying increment on the bridge once it is completed, but the rest of the development would impact the amount of increment obtained in the future. Mr. Tingey stated that new plans and requests will be submitted in November. He said that there will be some initial meetings with the developer, staff and the RDA Chair and Vice-Chair. Mr. Brass suggested that it would be beneficial to have the plans sent to the board members a few weeks before they are presented. Mr. Tingey stated that he has advised the developer that their plans need to be submitted during the last week of October in order to be reviewed at the November 17<sup>th</sup> meeting.

Meeting adjourned.

---

B. Tim Tingey, Executive Director